

Message Text

SECRET

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
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O 041612Z MAR 75 ZFF-4
FM AMEMBASSY OSLO
TO SECSTATE WASHDC NIACT IMMEDIATE 9390
SECDEF WASHDC NIACT IMMEDIATE

S E C R E T SECTION 1 OF 2 OSLO 0911

EXDIS

SECDEF HANDLE SPECAT EXCLUSIVE

FOR SECRETARY KISSINGER AND SECRETARY SCHLESINGER

E.O. 11652: GDS
TAGS: BEXP, MASS, NO, NATO
SUBJECT: AIRCRAFT REPLACEMENT ISSUE

REF: OSLO 757

SUMMARY: RECENT DEVELOPMENTS IN NORWAY WHICH I BELIEVE TO BE LARGELY THE FUNCTION OF DOMESTIC POLITICS AND THE ROLE OF THE HIGH LEVEL DEFENSE COMMISSION CURRENTLY REVIEWING NORWEGIAN SECURITY POLICY, ARE HAVING A NEGATIVE IMPACT ON NORWAY'S DECISION TO ACQUIRE THE F-16 AIRCRAFT AND TO PARTICIPATE IN THE FOUR-NATION COPRODUCTION CONSORTIUM. ALTHOUGH OTHER OPTIONS ARE OPEN AND MAY BE FORCED UPON US, I FEEL WE MUST ACT IMMEDIATELY TO URGE PRIME MINISTER BRATTELI AND KEY CABINET MINISTERS TO KEEP NORWAY IN THE CONSORTIUM AND ANNOUNCE NORWAY'S INTENTION TO PURCHASE NEW AMERICAN AIRCRAFT WITH THE CONSORTIUM. WHEN I SEE PRIME MINISTER BRATTELI AT LUNCH TOMORROW, I PLAN TO TAKE A STRONG POSITION ON THIS MATTER WITH HIM UNLESS ADVISED TO THE CONTRARY. END SUMMARY

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1. I HAVE HAD INDICATIONS FROM A VARIETY OF TOP

LEVEL SOURCES, INCLUDING FOREIGN MINISTER FRYDENLUND, INDUSTRY MINISTER ULVESETH AND DEFENSE MINISTER FOSTERVOLL, THAT POLITICAL CONSIDERATIONS ARE RAPIDLY DICTATING A POSTPONEMENT OF NORWEGIAN DECISION TO ANNOUNCE HER INTENTION TO PURCHASE THE F-16 IN THE NEAR FUTURE OR TO PARTICIPATE IN THE FOUR-NATION CONSORTIUM. THIS IS AN EXTREMELY UNFORTUNATE TURN OF EVENTS IN VIEW OF US OBJECTIVES AND PAST NORWEGIAN LEADERSHIP IN TRYING TO HOLD TOGETHER THE FOUR-NATION CONSORTIUM TO COPRODUCE AN ADVANCED FIGHTER AIRCRAFT IN EUROPE INCLUDING FOSTERVOLL'S INVALUABLE SERVICES TOWARD THIS END AS 1974 EUROGROUP CHAIRMAN. SHOULD NORWAY FAIL TO MAINTAIN MOMENTUM ON THIS ISSUE AND OPT FOR POSTPONEMENT, NOT ONLY WILL NORWAY AND NATO EUROPE LOSE THE MANY DEFENSE, ECONOMIC AND EVEN POLITICAL BENEFITS TO BE DERIVED FROM SUCH AN ARRANGEMENT BUT FOSTERVOLL, HIMSELF, COULD WELL BE A CASUALTY OF THE PRESENT POLITICAL INFIGHTING AND WE WILL HAVE LOST A GOOD FRIEND.

2. THE NORWEGIANS ARE WELL AWARE OF THE POTENTIAL LOSS NORWAY HERSELF WILL SUSTAIN BY FAILING TO PARTICIPATE IN THE COPRODUCTION SCHEME IN PURELY FINANCIAL TERMS AS WELL AS THROUGH TECHNOLOGY TRANSFER AND LONG RANGE BENEFITS DERIVED FROM LUCRATIVE OFFSET ARRANGEMENTS. NONETHELESS, DOMESTIC POLITICS ARE NOW IN THE FOREFRONT AS THE LABOR PARTY PREPARES FOR ITS UPCOMING CONGRESS IN APRIL. ODDVAR NORDLI IS THE LABOR PARTY GROUP LEADER IN THE NORWEGIAN PARLIAMENT, A FRONTRUNNER TO REPLACE BRATTELI AS PRIME MINISTER AND, EQUALLY IMPORTANT, CHAIRMAN OF THE DEFENSE COMMISSION WHICH HAS BEEN TASKED BY THE GOVERNMENT TO REVIEW THE ENTIRE SPECTRUM OF NORWEGIAN SECURITY POLICY (SEE REFTTEL) AND SUBMIT A SERIES OF RECOMMENDATIONS WHICH WOULD SET THE PARAMETERS FOR NORWEGIAN POLICY OVER THE NEXT 20 YEARS. WE UNDERSTAND, HOWEVER, THAT THESE RECOMMENDATIONS WILL NOT BE READY FOR SUBMISSION TO THE PARLIAMENT UNTIL LATE 1976 OR EARLY 1977.

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NORDLI'S POSITION IS THAT A DECISION ON AIRCRAFT NOW WOULD PREEMPT THE IMPORTANT ROLE OF THIS DEFENSE COMMISSION AND THE DECISION SHOULD, THEREFORE, BE POSTPONED UNTIL THE COMMISSION'S RECOMMENDATIONS GO TO THE STORTING. THIS POINT OF VIEW HAS COMMANDED CONSIDERABLE SUPPORT IN THE GOVERNMENT AND CABINET DURING THE LAST FEW WEEKS AS THE LABOR PARTY CONGRESS APPROACHES AND PRESENT AND FUTURE POLITICAL LEADERS SEEK TO

ANTICIPATE AND DEFUSE POTENTIALLY CONTROVERSIAL
ISSUES THAT COULD ARISE AT THE CONGRESS.

3. PUBLICATION MARCH 3 IN THE OSLO DAILY DAGBLADET
(A SENSATIONALIST NEWSPAPER KNOWN FOR ITS OPPOSITION
TO DEFENSE SPENDING) OF AN ARTICLE ON THE FIGHTER
AIRCRAFT ISSUE HAS FURTHER EXACERBATED THE SITUATION
AND BROUGHT THE DEBATE ABRUPTLY INTO THE PUBLIC EYE.
THE ARTICLE REPORTS THAT NORWAY WILL WAIT AT LEAST ONE
YEAR BEFORE A DECISION IS MADE ON THE PURCHASE OF
A NEW FIGHTER AIRCRAFT SO THAT THE DEFENSE COMMISSION
CAN FACTOR THIS ISSUE INTO ITS DELIBERATIONS. IN
ADDITION, THE REPORT IDENTIFIES DEFENSE COMMISSION
CHAIRMAN ODDVAR NORDLI AS THE MOVING FORCE IN RE-
FERRING PROCUREMENT PLANS TO THE COMMISSION FOR
EVALUATION. DEFENSE MINISTER FOSTERVOLL IS SEVERELY
CRITICIZED FOR HIS HANDLING OF THE ISSUE WHICH
"HAS CAUSED CONSIDERABLE DISCONTENT WITHIN THE LABOR
PARTY" AND FOR "FOLLOWING THE RECOMMENDATIONS AND
DEMANDS OF MILITARY EXPERTS WITHOUT VIEWING THE
PROCUREMENT PLANS IN A BROADER FOREIGN POLICY OR
ECONOMIC PERSPECTIVE." THERE IS SPECULATION,
ACCORDING TO THE ARTICLE, THAT FOSTERVOLL'S POSITION
HAS BEEN SUBSTANTIALLY WEAKENED AND THAT HE COULD
BE REPLACED FOLLOWING THE LABOR PARTY NATIONAL
CONVENTION IN APRIL.

4. I HAVE BEEN INFORMED TODAY (MARCH 4) THAT MOD
FOSTERVOLL HAS ALREADY SENT A LETTER TO HIS OTHER
COLLEAGUES IN THE CABINET, PROPOSING A COMPROMISE
OPTION THAT WOULD TAKE NORWAY OFF THE HOOK FOR AN
IMMEDIATE DECISION, ALLOW FOR AN "ACCEPTABLE" PLANK
IN THE LABOR PARTY PLATFORM ON THE AIRCRAFT ISSUE

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WHICH MEANS PROTECTING THE ROLE OF THE DEFENSE
COMMISSION AND ALLOW FOR NORWAY TO "OPT IN" AT A
LATER DATE.

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W

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S E C R E T FINAL SECTION OF 2 OSLO 0911

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FOR SECRETARY KISSINGER AND SECRETARY SCHLESINGER

5. DESPITE PRESENT CONFUSION AND UNCERTAINTIES, I HAVE BEEN ASSURED THAT A FUNDAMENTAL DECISION TO ACQUIRE THE F-16 WILL NOT BE ALTERED, THAT THE CURRENT DEBATE MERELY CONCERNS THE TIMING OF THE ACQUISITION SO AS NOT TO ECLIPSE THE DEFENSE COMMISSION AND THIS IN NO WAY AFFECTS THE FIRM NORWEGIAN COMMITMENT TO NATO.

6. IN EXAMINING THE US ROLE IN THIS AND HOW OUR INTERESTS WILL BE DIRECTLY AFFECTED, I SEE THREE POSSIBLE COURSES OF ACTION OPEN TO US: (A) WE CAN SEEK, WITH EVERY MEANS AT OUR DISPOSAL, TO REVERSE THE PRESENT UNFAVORABLE TREND TOWARD POSTPONEMENT OF AN EARLY DECISION IN FAVOR OF THE F-16; (B) WE CAN TRY TO PRESERVE THE FOUR-NATION CONSORTIUM ARRANGEMENT AND SIMULTANEOUSLY SATISFY DOMESTIC POLITICAL CONSIDERATIONS THROUGH SOME SORT OF A COMPROMISE OPTION; E.G., NORWAY MIGHT OPT INTO A CONSORTIUM ARRANGEMENT THROUGH A LETTER OF INTENT TO PURCHASE THE F-16 BACKED UP BY SOME SORT OF FINANCIAL COMMITMENT, BUT RESERVING THE FINAL BINDING DECISION UNTIL THE RECOMMENDATIONS OF THE DEFENSE COMMISSION BECOME CLEARER; OR (C) SINCE WE HAVE
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ASSURANCES THAT THE DECISION ON THE F-16 HAS NOT BEEN FUNDAMENTALLY ALTERED AND THAT, WITH A DISINTEGRATION OF THE COPRODUCTION AGREEMENT, NORWAY WILL EVENTUALLY PURCHASE THE F-16 DIRECTLY FROM THE U.S., WE CAN SIMPLY ACCEPT THE POSTPONEMENT OF THE AIRCRAFT DECISION WITHOUT PROTEST AND MAKE NO DEMARCHE AT

THIS TIME.

7. I FAVOR OPTION A SINCE THE U.S. HAS INVESTED SO MUCH CAPITAL ALREADY INTO THE ISSUE OF CO-PRODUCTION AND I DO NOT LIKE TO SEE NORWAY ONCE AGAIN AVOIDING A POSITION OF WESTERN SOLIDARITY BECAUSE OF INTERNAL LABOR PARTY POLITICS. I AM ALSO LOATH TO SEE A DEFENSE MINISTER POSSIBLY SACRIFICED BECAUSE, IN THE EYES OF SOME OF HIS MORE DOMESTICALLY-ORIENTED COLLEAGUES, HE PLACED NATO AND NATIONAL INTERESTS AHEAD OF PARTY INTERESTS.

8. REALISTICALLY, HOWEVER, I AM DOUBTFUL THAT WE CAN REVERSE THE NORWEGIAN "COLLAPSE" AT THIS APPARENTLY LATE POINT IN TIME. I AM INFORMED THAT THE CABINET WILL BE MEETING ON THIS ISSUE MARCH 6 AND MONDAY, MARCH 10. IF OUR EFFORTS TO TURN THE SITUATION AROUND FAIL, I BELIEVE WE SHOULD BE IN A POSITION TO PRESS SOME FORM OF COMPROMISE OPTION. WHILE DOMESTIC POLITICS ARE KING, FOSTERVOLL AND PRIME MINISTER BRATTELI WILL ALSO NEED AS MANY RATIONAL ECONOMIC/TECHNOLOGICAL ARGUMENTS AS THEY CAN MUSTER TO DEMONSTRATE TO DOUBTING COLLEAGUES THAT NORWAY STANDS TO LOSE VERY REAL ECONOMIC BENEFITS IF IT OPTS OUT OF THE CONSORTIUM, AS WELL AS POLITICAL FACE WITHIN THE ALLIANCE.

9. ACTION REQUESTED: I AM HAVING LUNCH WITH BRATTELI TOMORROW, MARCH 5, IN AN EFFORT TO TURN AROUND THE PRESENT DETERIORATING SITUATION. UNLESS I HEAR TO THE CONTRARY, I SHALL PULL OUT ALL STOPS IN MY ARGUMENTS. OBVIOUSLY, IF WE CAN LIVE COMFORTABLY WITH POSTPONEMENT OF THE NORWEGIAN DECISION TO BUY THE F-16, I WILL NOT WASTE THE CONSIDERABLE POLITICAL CAPITAL I INTEND TO INVEST

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IN THE EFFORT TO PERSUADE BRATTELI TO BACK UP HIS DEFENSE MINISTER. ANY ADDITIONAL AMMUNITION -- BOTH AS TO THE SERIOUSNESS WITH WHICH THE DEPARTMENT VIEWS THE SITUATION AND AS TO THE ECONOMIC/TECHNOLOGICAL SIGNIFICANCE FOR NORWAY -- WOULD BE APPRECIATED. IT MUST ARRIVE, HOWEVER, BY OPENING OF BUSINESS, MARCH 5. DEPARTMENT'S VIEWS REGARDING ANY POSSIBLE COMPROMISE OPTION ARE ALSO NEEDED BUT ON A LESS URGENT BASIS.

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